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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/895,977	06/29/2001	Michael Joseph Calderaro	AUS9-2001-0235-US1	9300
40412	7590	05/17/2006	EXAMINER	
IBM CORPORATION- AUSTIN (JVL) C/O VAN LEEUWEN & VAN LEEUWEN PO BOX 90609 AUSTIN, TX 78709-0609			CHOI, PETER H	
			ART UNIT	PAPER NUMBER
			3623	

DATE MAILED: 05/17/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/895,977	CALDERARO ET AL.	
	Examiner	Art Unit	
	Peter Choi	3623	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 11 April 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. Claims 1-20 are pending in the application. The specification has been amended.

Response to Arguments

2. Applicant's arguments filed April 11, 2006 have been fully considered.

The Examiner has withdrawn the 2000 Walker report because no publication date prior to the filing date of the instant application could be provided at this time.

Applicant argues that Walker is not concerned with, and does not address the issue of analyzing attrition risk on an individual basis for individual employees, specifically, by not teaching or suggesting the step of "analyzing attrition risk for each of the selected employees using the risk planning factor data and the actual employment data, wherein the attrition risk is individually analyzed for each of the selected employees"

The Examiner respectfully disagrees. The Examiner asserts that Walker Information (along with The Hudson Institute) administered a survey to a plurality of employees, whose individual results have been tallied and analyzed before being aggregated together for presentation in the 1999 Walker report. Specifically, the survey

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collects data from employees regarding their loyalty to their employers (i.e., their intent to stay with their employer), thus analyzing attrition risk for each of the survey participants (the “selected” employees).

Applicant argues that neither Paizis nor Walker teaches or suggests “calculating a flight risk” or “assigning a risk quadrant” for each individual employee.

The Examiner respectfully disagrees. As seen on page 1 of the 1999 Walker reference, employees have been grouped into one of four employee groups, which the Examiner has interpreted to be “risk quadrants” (Accessible, Truly Loyal, Trapped, High Risk). The Examiner asserts that the placing of each employee into one of said employee groups is based on their “flight risk”, as survey results are used to predict employee loyalty to their employees, loyalty being characterized as intent to stay (essentially measuring employee attrition and turnover). The Examiner also asserts that each employee is placed into one of the four employee groups, and pages 1-2 of the 1999 Walker reference is a summary of the methodology of the development of the four employee groups.

Drawings

3. The drawing objections raised under 37 CFR 1.84(p)(5) are withdrawn in view of Applicant's amendments to the specification.

4. The drawings objections raised under 37 CFR 1.84(p)(4) are withdrawn in view of Applicant's amendments to the specification.

Claim Rejections - 35 USC § 101

5. The previous rejection to claims 1-7 made under 35 U.S.C. 101 are withdrawn.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Paizis (U.S Patent #6,338,042) in view of "The 1999 U.S National Employee Relationship Benchmark Report" by the Walker Information Global Network (herein after referred to as Walker).

As per claim 1, Paizis teaches a computer-implemented method for analyzing attrition risk for employees, said method comprising:

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(a) receiving planning factor data (**employee data from performance evaluations such as employee competency and contributions**) from a user, the planning factor data corresponding to one or more selected employees (**using performance evaluations of a group of individuals who have substantially the same role in an organization**) [Figures 5A, 5B and 5C, Column 4, lines 11-12, Column 5, lines 34-48, Claims 1 and 6];

(b) storing the planning factor data in employee profile data areas (**current status section 502**), wherein each employee profile data area corresponds to one of the selected employees **{each row represents a different employee}** [Figures 5A, 5B and 5C]; and

(c) retrieving actual employment data (**current salary and names of employees**) for each of the selected employees in the employee profile data areas (**current status section 502**) [Column 9, lines 19-21, Figures 5A, 5B and 5C].

The planning factor data taught by Paizis is based on employee performance evaluations and does not focus on the risk of employee attrition. However, Walker teaches data (survey results) of employees pertaining to employee satisfaction with their workplace and their intent to stay with their employer (i.e., likelihood of employee attrition) that further reveals statistical breakdowns of employee loyalty, and their likelihood of staying with the company. Furthermore, Walker discusses the results of employees participating in the survey (thus, each participant's responses were

individually collected, stored, and analyzed) [Pages 2-4 of the Walker 1999 U.S Report].

Paizis is directed towards considering employee worth in determining employee compensation (which impacts employee retention). Walker is directed towards an analogous art of studying employee relationships with their employer and its impact on loyalty and commitment (leading to employee retention); thus, it would have been obvious to one of ordinary skill in the art at the time of invention to modify the teachings of Paizis to include data pertaining to the risk of employee attrition in order to allow companies to take into consideration the factors impacting employee loyalty and commitment, which may lead to modifications to company policy and procedures in order to foster a greater sense of loyalty and commitment from employees, and establishing greater levels of fairness, trust, care, and concern from employers, leading to increased levels of employee retention, loyalty, and commitment.

Although not explicitly taught by Paizis, Walker teaches:

(d) analyzing attrition risk **{determining levels of employee commitment and intent to stay, embodied by placement into one of four groups based on predicted loyalty to their employer}** for each of the selected employees using the risk planning factor data **{survey results of employees pertaining to their commitment and loyalty to their employers and why they feel that way; using Walker's model-based survey methodology}** and the actual employment data, wherein the attrition risk

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is individually analyzed for each of the selected employees **{survey results, including attrition risk, are collected for each individual participant before they are consolidated }** [Pages 1-2 of the 1999 Walker U.S Report].

It would have been obvious to one of ordinary skill in the art at the time of invention to modify the teachings of Paizis to combine employee data with studies on employee loyalty and commitment, because the combination would enable the company to determine the attrition risk of employees and accordingly develop changes in company policy or procedures in order to improve employee loyalty and commitment, which may lead to a decrease in employee attrition.

Claims 8 and 14 recite limitations (receiving and storing employee risk planning factor data and employment data, analyzing attrition risk of employees using received data) similar to those of claim 1 as discussed above; therefore, the same rejection applies.

As per claim 2, Paizis teaches the computer-implemented method as described in claim 1 further comprising:

(c) retrieving contribution data **(measuring levels of contribution of employees, where levels of contribution may include contributions to leadership, overall business results or goals; obtaining contribution scores, which reflect the overall perceived levels of contribution of individuals in a position)** included with

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the actual employment data corresponding to the selected **{each row represents a different employee }** employees [Column 4, lines 33-35, 49-50, and 53-54, Column 5, lines 60-63, Claims 1, and 6].

Although not explicitly taught by Paizis, Walker teaches:

(a) retrieving motivators and inhibitors (**belief in availability of job opportunities existing outside their organization, the organization shows genuine concern for its employees, company provides family-friendly benefits, company cares about developing employees for the long term, fair treatment, fair pay, fair policies, organization trusting its employees, employees given the freedom to make their own decisions at work, employees feel encouraged to try new ways of doing things at work, supervisors paying attention to how people feel, fairness at work, care and concern for employees, satisfaction with day to day activities, trust in employees, intangible or “soft” aspects of corporate culture including attention from management and the confidence that their organization would help in time of need**) included with the risk planning factor data **{measuring intent to stay and predicting loyalty to their employer}** corresponding to the selected employees [Pages 2-4 of the 1999 Walker U.S Report]; and

(b) calculating a flight risk (**likelihood of employees who are truly loyal {want to be there and expect to stay at least two years}, accessible {want to be there, but do not intend to stay}, trapped {don’t want to be there, but intend to be there}, and high risk {don’t want to be with the organization and don’t intend to**

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stay}} for each of the selected employees **{for each participant in the survey}** based on the motivators and inhibitors, wherein the flight risk is individually calculated for each of the selected employees **{intent to stay is measured for each participant in the survey, and then used to place said participant into one of the four employee groups based on predicted loyalty to their employer}** [Pages 1-3 of the 1999 Walker U.S Report {which also includes a breakdown by industry}].

As per element (d): Paizis teaches the ranking of employees according to a weighted score of employee competencies and contributions. Walker teaches the step of assigning a risk quadrant **(employee group)** from a plurality of risk quadrants to each of the selected employees **{for each participant in the survey}** based on the flight risk **(predicted loyalty to their employer)** corresponding to each employee [Page 1 of the 1999 Walker U.S Report].

Paizis is directed towards considering employee worth in determining employee compensation (which impacts employee retention). Walker is directed towards an analogous art of studying employee relationships with their employer and its impact on loyalty and commitment (leading to employee retention); thus, it would have been obvious to one of ordinary skill in the art at the time of invention to combine the teachings of Paizis of Walker to assign a risk quadrant to each employee based on a weighted score of their flight risk and contributions, because it would enable the company to cluster employees into groups of similar flight risk and contribution levels,

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leading to the “prioritizing” of employees who should be targeted for retention since certain combinations of flight risk and contributions are more desirable than others (i.e., high contribution, high flight risk vs. low contribution, high flight risk, etc.).

Claims 9 and 15 recite limitations (retrieving employee motivators and inhibitors to calculate a flight risk, placing employees into risk quadrant based on their contribution and flight risk) similar to those of claim 2 as discussed above; therefore, the same rejection applies.

As per claim 3, although not explicitly taught by Paizis, Walker teaches the step of displaying a summary corresponding to each risk quadrant (**employee groups are labeled, Truly Loyal, Accessible, Trapped, and High Risk**) [Pages 1-2 of the Walker 1999 U.S Report].

Claims 10 and 16 recite limitations (displaying risk quadrant summaries) similar to those of claim 3 as discussed above; therefore, the same rejection applies.

As per claim 4, Paizis teaches the computer-implemented method as described in claim 3 further comprising:

- (a) displaying a plurality of groupings (**rankings**) [Column 6, line 23];

(b) receiving a risk quadrant selection and a grouping selection from the user **(selecting an employee to be analyzed to determine a need to modify their pay value data)** [Column 3, lines 1-2];

(c) summarizing employee profile data assigned to the selected risk quadrant using the selected grouping creating a second summary **(generating a display including a representation of the suggested level of compensation for each individual in the group of individuals** {which can inherently be aggregated within each quadrant to provide a summary}) [Claim 1]; and

(d) displaying the second summary **(generating a display including a representation of the suggested level of compensation for each individual in the group of individuals)** [Claim 1].

Claims 11 and 17 recite limitations (displaying groupings of employees, summarizing and displaying employee profile data assigned to risk quadrants selected by the user) similar to those of claim 4 as discussed above; therefore, the same rejection applies.

As per claim 5, Paizis teaches the computer-implemented method as described in claim 3 further comprising:

(b) determining whether incentives are desired for one or more of the selected employees in the selected risk quadrant **(modifications to the target market pay for individuals)** [Column 7, lines 12-13, 16-26]; and

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(c) modifying incentive data (**computing suggested target market pay or modified pay levels**) included in employee profile data areas corresponding to the one or more selected employees [Column 7, lines 16-50].

Paizis does not explicitly teach:

(a) selecting one of {the employees in one of} the risk quadrants [an inherent step that enables a determination to be made regarding a need to modify pay value data].

However, Paizis does teach the step of selecting individual employees in order to make a determination of modifying target market pay values [Column 3, lines 1-2]. Each employee inherently belongs to one of the defined risk quadrants; thus, Paizis effectively teaches the step of selecting a risk quadrant, meeting the limitation of the claim.

Claims 12 and 18 recite limitations (selecting a risk quadrant to determine whether employees in said risk quadrant should receive modifications to their incentive data profile) similar to those of claim 5 as discussed above; therefore, the same rejection applies.

As per claim 6, Paizis teaches the computer-implemented method as described in claim 5 further comprising:

(a) reassigning the risk quadrants **(after the changed target market pay information is obtained, revised rankings are displayed; re-ranking employees)** for one or more selected employees **{for each participant in the survey}** in response to the modified incentive data [Column 7, lines 24-26, Column 9, line 64 - Column 10, line 3, and Claim 8]; and

(b) displaying a second summary corresponding to each risk quadrant **(generating a display including a representation of the suggested level of compensation for each individual in the group of individuals {which can inherently be aggregated within each quadrant to provide a summary})** [Claim 1].

Claims 19 recite limitations (use modified incentive data to reassign employees into risk quadrants and display summaries of each risk quadrant) similar to those of claim 6 as discussed above; therefore, the same rejection applies.

As per claim 7, Paizis teaches the computer-implemented method as described in claim 1 further comprising:

(b) displaying the identified employees to the user **(employee rankings are displayed in step 324 such that a user may review the rankings)** [Column 6, lines 23-24];

(c) determining whether to provide incentives to one or more of the identified employees **(modifications to the target market pay for individuals)** [Column 7, lines 12-13, 16-26,]; and

(d) revising **(making changes to)** incentive planning data **(computing suggested target market pay or modified pay levels)** corresponding to one or more of the identified employees in response to the determination [Column 7, lines 16-50].

Paizis does not explicitly teach:

(a) identifying one or more of the selected employees with a high contribution level and a high attrition risk:

However, Paizis teaches the display of employee rankings, which enables the user to identify users with certain characteristics such as high or level contribution levels and competency scores [Column 6, lines 23-24, Figures 5A, 5B, and 5C]. Furthermore, Paizis teaches the use of computer spreadsheets, enabling employees to be sorted according to contribution level, competency score, or combined score.

Walker teaches the analysis of attrition risk **{determining levels of employee commitment and intent to stay, embodied by placement into one of four employee groups}** for one or more of the employees **{survey results of employees pertaining to their commitment and loyalty to their employers and why they feel that way}** [Page 1 of the 1999 Walker U.S Report].

Paizis is directed towards considering employee worth in determining employee compensation (which impacts employee retention). Walker is directed towards an

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analogous art of studying employee relationships with their employer and its impact on loyalty and commitment (leading to employee retention); thus, it would have been obvious to one of ordinary skill in the art at the time of invention to combine the teachings of Paizis of Walker to combine employee data regarding contribution level and attrition risk, because it would enable the company to cluster employees into groups of similar flight risk and contribution levels, leading to the identification and “prioritizing” of employees who should be targeted for retention by being approached with an intent to modify their compensation package to increase the likelihood of retention, loyalty, and commitment, since certain combinations of flight risk and contributions are more desirable than others (i.e., high contribution, high flight risk vs. low contribution, high flight risk, etc.), and because any increase in an employee’s compensation package (to ensure retention) is still less costly than the cost incurred in training new hires.

Claims 13 and 20 recite limitations (identifying at-risk employees with high contribution levels and determining whether to provide revisions to the incentive planning data of such employees) similar to those of claim 7 as discussed above; therefore, the same rejection applies.

As per claim 8, Paizis teaches an information handling system comprising:

- (a) one or more processors (**CPUs 632**) [Column 11, lines 10-12];

(b) a memory (**memory devices which include a first primary storage device 634 that is typically RAM, and a second primary storage device 636 that is typically ROM**) accessible by the processors [Column 11, lines 12-35];

(c) one or more nonvolatile storage devices (**mass memory device 638**) accessible by the processors [Column 11, lines 25-35]; and

(d) an attrition risk tool to analyze attrition risk of employees, the attrition risk tool including:

(i) means for receiving risk planning factor data from a user, the risk planning factor data corresponding to one or more selected employees [see discussion of claim 1(a) above];

(ii) means for storing the risk planning factor data in employee profile data areas, wherein each employee profile data area corresponds to one of the selected employees [see discussion of claim 1(b) above];

(iii) means for retrieving actual employment data for each of the selected employees in the employee profile data areas [see discussion of claim 1(c) above]; and

(iv) means for analyzing attrition risk for each of the selected employees using the risk planning factor data and the actual employment data, wherein the attrition risk is individually analyzed for each of the selected employees [see discussion of claim 1(d) above].

Conclusion

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

On September 19, 2000, the Hudson Institute posted a discussion of a study jointly conducted with Walker Information Global Network. A copy of said discussion has been provided (References 1-U, 1-V and 1-W).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Peter Choi whose telephone number is (571) 272 6971. The examiner can normally be reached on M-F 8-5.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Tariq Hafiz can be reached on (571) 272-6729. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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PC

Peter Choi
Examiner
Art Unit 3623

May 10, 2006


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